

Vermont Clean Water Board Special Meeting Minutes

Date/Time: Monday, April 19, 2021 4:00-4:50 pm

Location: Microsoft Teams Meeting

Meeting agenda, materials, minutes, and recording are posted online at: <https://dec.vermont.gov/water-investment/cwi/board/meetings>.

Clean Water Board Members/Designees:

Susanne Young, Agency of Administration (AoA) Secretary and Clean Water Board Chair
Tayt Brooks, Agency of Commerce and Community Development (ACCD) Deputy Secretary
Alison Conant, public member
Bob Flint, public member
Joe Flynn, Agency of Transportation (VTrans) Secretary
James Giffin, public member
Julie Moore, Agency of Natural Resources (ANR) Secretary
Anson Tebbetts, Agency of Agriculture, Food and Markets (AAFM) Secretary
Chad Tyler, public member

1. Welcome

The Chair, Secretary Susanne Young convened the meeting at 4:00 pm and reviewed the agenda. No action taken.

2. Review [H. 439, An act relating to making appropriations for the support of government, as passed the House on March 26, 2021](#)

Topic: removal of the Meals & Rooms Tax (MRT) as a dedicated annual source of general fund revenue to the Clean Water Fund for FY22-FY26 and replace with American Rescue Plan Act (ARPA) federal funds.

ANR Secretary Julie Moore and Secretary Young reviewed the annotated excerpt of Appropriations Bill (H.439) and briefing document for the Clean Water Board (CWB) (Attachments 1 & 2).

3. Questions/Discussion/Possible Action

The question and discussion included:

- 1) a desire to learn the reasons for the House action and whether the Legislature had taken this approach elsewhere, which are questions that will be put to Joint Fiscal Office;
- 2) that the ARPA funds, that are limited in how they can be used, and the 6% MRT could co-exist; from the Administration's perspective;
- 3) that this is an amendment of Act 76 (2019) (i.e., the "Clean Water Service Delivery Act") that established MRT as a long term source of funding, and is contrary to the agreement reached with the Legislature in Act 64 (2015) (i.e., the "Vermont Clean Water Act") that required the establishment of a long term source of funding;
- 4) that a dedicated source of funding was required by the EPA and it is unclear how they will view the replacement with one-time federal funds;
- 5) that without Treasury guidance, it is difficult to ascertain what projects currently in the CWB budget would be eligible for ARPA funding, but the expectation is that the Treasury guidance will be more restrictive than the flexibility provided by state funds;
- 6) it is unclear how Fitch Ratings would view the substitution of MRT with one-time federal funds as it referenced the importance of dedicated funding to clean water for the State to meet its obligation to EPA;
- 7) that the loss of the state funds detracts from the source of funds used to match federal funds;
- 8) that it is unclear who would manage the projects funded with ARPA as it depends on how the appropriation of ARPA is structured, while the Governor's proposal to use ARPA for clean water allocates it to agencies and departments like other federal funds, and
- 9) whether the action will impact the audit obligation in statute still needs to be discussed.

4. **Next steps.** Secretaries Young and Moore will meet with the Joint Fiscal Office on April 20th and request time for a discussion with the Senate Appropriations Committee this week to review history of Clean Water Fund and risks to changing revenue sources.
5. **Public Comment**
No public comment was offered.
6. **Adjourn**
Secretary Young entertained a motion to adjourn. Motion was made by Secretary Flynn, seconded by Chad Tyler. Motion to adjourn passed at 4:35 pm.

Supporting Materials:

1. Appropriations Bill (H.439) Excerpt Annotated
2. Briefing Document for Clean Water Board and Referenced Attachments